

## State audit led to indictment

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A routine audit by the state Department of Charitable Gaming (DCG) led to the indictment of a local woman on an embezzlement charge.

Ardys Yolanda Winslow of Martinsville was indicted by a Henry County grand jury Monday on a charge of embezzling money or property with a value of \$200 or more. She is scheduled to appear in circuit court Aug. 11 for a counsel hearing, according to court records on the Internet.

The alleged embezzlement occurred between March 2, 2003, and March 21, 2004, court records indicate, and involved the Laurel Park Community Boosters Club.

Last December, the boosters club obtained a judgment in the Henry County General District court against Winslow for \$10,978.61.

Evalyn Chapman, a club member, said Winslow began making monthly payments of \$250 after the warrant in debt was issued in December "and we have no reason to think" that she will not continue to pay.

But Clyde Cristman, director of the Department of Charitable Gaming, said whether the money is repaid has nothing to do with the criminal charge.

The department was unaware of the civil judgment or of any problems at the club concerning funds until earlier this year when a "routine audit" was conducted, he said.

Cristman said the audit report, which was finalized in April, showed discrepancies that totaled "more than \$50,000."

Most of the money eventually was accounted for and many of the discrepancies were due to "administrative processes," such as improper recording, he said.

"But when there is no reasonable explanation for some of the discrepancies," as happened in this case, he said, that was an indication of possible criminal activity. "We went to the commonwealth's attorney and sought an indictment," he added.

During the civil case, evidence was presented that indicated Winslow had been authorized to make credit card purchases for the club but that \$10,978.61 worth of purchases made were unauthorized.

"This (case) is unique to us," Cristman said, explaining that a civil case usually follows an indictment, and not the other way around.

"They (organizations) are required to notify us immediately" of any suspected wrongdoing, he said, but in this case, that did not happen.

Cristman said that failure to report the discrepancies and civil case will be addressed "at some point," but he thought it may have been a case of club members not knowing what to do.

"They are volunteers," he said. "Most have full-time jobs" and are not always aware of the proper procedures.

"They (club members) have been very cooperative with us" during the audit and investigation, he said.

In the meantime, the department will continue to pursue prosecution of the case, he said, and the club can continue to operate its normal schedule.

The Laurel Park Community Boosters Club reported \$1.7 million in gross sales last year, Cristman said. "That's no small operation."

Of the total gross sales in any state-sanctioned game, he said 75 percent is paid out in prize money, with about 12 percent going toward administrative expenses and at least 12 percent going to charity. That percentage for charity is a requirement by the state, he said.

The main method for keeping tabs on the sales figure, he said, is with the bingo papers used. Each organization buys the disposable sheets of paper, which are then sold to the public for use in the games.

"Players buy bingo pages in a pack," he said, according to the number of games being played during that session. For example, he said, a player can buy a pack of 25 sheets to play 25 games. But those sheets may contain only one card or "face" per game. However, if a player wants to use more than one card per game, increasing the odds of winning, sheets with multiple cards are available.

Cristman said each bingo sheet has a serial number and his department can trace them to the organization that buys them from the supplier.

"We can then look at the numbers," he said, determining how many sheets any organization bought and how many they sold.

"If an organization maintains a proper inventory and administrative control," everything should be fine, and usually is, he said, adding that the department will be working with Laurel Park to make sure proper procedures will be followed.

But criminal activity is not unusual, he said, in an activity that grossed \$300 million in sales statewide during 2004. In fact, his department is currently involved in 28 active criminal investigations relating to missing funds, he said.

Cristman said the department saw eight felony convictions last year.

The DCG audits each charitable gaming organization at least once every three years, he said.

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